

Observations on House Committee on Post Office and Civil Service  
Hearing, 21 April 1960, in re Pay Legislation.

(Present: Messrs. Murray, Morrison, Davis, Lesinski, Porter, Scott,  
Dulski, Foley, Harmon, Rees, Corbett, Gross, Broyhill, Johansen,  
Cunningham, Walhouser, Barry)

The essence of the Administration opposition to any general pay raise at this time, as developed from the statements and answers of the witnesses (chiefly Maurice Stans, Director of the Bureau of the Budget) focuses mainly on these factors:

1. The study of the Government pay structure as related to private industry and enterprise, which was directed by Congress last year, currently is underway. The preliminary findings will be ready in September; the final report in December. Until all the facts to be developed by this study are available, there can be no sound justification or basis for a general pay increase.

2. Admittedly there are inequities in the present pay structure, but until all the facts have been established and legislation drawn accordingly, a general pay raise would multiply and perpetuate the inequities.

3. The effect of the proposed pay increase on the national budget would be distinctly undesirable.

In the questioning period, as well as in the formalized statements, the above points were reiterated for emphasis to such an extent that it appears obvious that the administration will be adamant in its position.

Most of the questioning was by Mr. Morrison who sought to elicit answers which would support the following premises:

- (a) That BOB has never favored any pay increase, whenever legislation for such purpose is proposed.
- (b) That BOB, regardless of any pertinent consideration, has never initiated any pay increase legislation.
- (c) That BOB reflects the President's opinions.
- (d) That BOB, despite numerous and exhaustive studies, always seems to want to postpone pay increase legislation for purposes of further study

Mr. Stans' answers to the above were for the most part indirect, reverting largely to the basic points of Administration opposition already cited. To Mr. Broyhill's observation that BOB should some time come to Congress with a solid plan and schedule for correcting inequities, one which would be acceptable to the Executive as well as to Congress, Mr. Stans said he felt the mechanics are now in existence, and that the next Congress can be presented with a program to reform the pay structure and correct inequities. Meanwhile there should be no increase of inequities and problems, and no drain on the budget because of such legislation as that currently under consideration.

Mr. Davis cited the general complaint that Government takes so long to move on pay legislation that pay levels never catch up with the cost of living situation. He reenforced this by noting the long time required for the current study. Mr. Stans response was that this does not justify action based on other than sound facts. He expressed the belief that, properly grounded, plans could be incorporated into legislation which would provide for annual and automatic adjustments to achieve comparability with private employment salaries. Mr. Davis suggested that pay structure study should be a continuous process. He was asked by Mr. Stans to address his questions as to why the current study is incomplete to the representative of the Bureau of Labor Statistics who will appear at a later session.

Following the reading of Mr. Finucane's statement, Mr. Porter asked whether any other position could be assumed by Defense in view of the President's stand. The reply was that, obviously the witness would not be in his position if there were material differences between the President's views and his own, but that nevertheless the Defense position is not dictated, is based on sound studies (e.g. the Cordiner report).

Messrs. Murray and Johansen questioned whether the claims of stability of employment in Defense are not at variance with other testimony, particularly that concerning technical and scientific personnel. The reply was that such personnel are only a small part of the broad Defense personnel picture, and therefore not indicative of the overall trend. Actually, it was stated, rare skill problems would not be helped by across the board pay increases, - might actually be hindered.

To Mr. Murray's query whether Defense has substantial recruitment problems, Mr. Wheelless said definitely not. The difficulties, he asserted would revolve about movement of people from one area to another (as when a facility is closed), adjustment to changing needs, and the material difficulty of recruiting satisfactory personnel for career development.

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NB: To be heard Friday 22 April will Be CSCommissioner Roger Jones. Mr. Stans will return on Tuesday 26 April.

WITNESSES FOR HEARING ON PAY LEGISLATION - THURSDAY, APRIL 21

HONORABLE MAURICE H. STANS, DIRECTOR, BUREAU OF THE BUDGET

accompanied by:

MR. ELMER B. STAATS, Deputy Director

MR. SPENCER PLATT, Assistant Chief, Management and  
Organization

MR. WILLIAM LEHMAN

HONORABLE CHARLES C. FINUCANE, ASSISTANT SECRETARY OF DEFENSE (MANPOWER,  
PERSONNEL & RESERVE)

accompanied by:

MR. LEON L. WHEELESS, Director of Civilian Personnel  
Policy Division